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# CURRENT INDUSTRIAL REPORTS

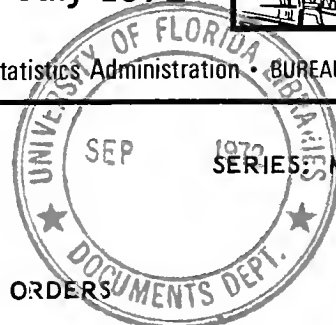
## Manufacturers' Shipments, Inventories, and Orders

July 1972



U. S. DEPARTMENT OF COMMERCE • Social and Economic Statistics Administration • BUREAU OF THE CENSUS

FOR RELEASE: August 30, 1972



### SUMMARY

New orders for manufactured products in July decreased \$1.25 billion or 2.0 percent to \$62.48 billion from \$63.73 billion (revised) in June after seasonal adjustment. Shipments increased \$775 million or 1.3 percent to \$62.00 billion from \$61.23 billion in June. Unfilled orders increased \$480 million or 0.6 percent to \$79.09 billion at the end of July. Manufacturers' inventories increased \$720 million or 0.7 percent to \$104.22 billion at the end of June. The inventories to shipments ratio decreased from 1.69 to 1.68.

For the 3 months ending in July, the average month-to-month change in new orders was a 0.4 percent increase compared with a 1.0 percent increase for the 3 months ending in April and a 2.1 percent increase for the 3 months ending in January.

### NEW ORDERS

Revised figures indicate that new orders for durable goods decreased \$995 million or 2.8 percent to \$34.62 billion. A decline in the defense sector accounted for this decrease in durable goods new orders.

### SHIPMENTS

Shipments of durable goods increased \$1.00 billion or 3.0 percent to \$34.13 billion. Shipments of nondurable goods decreased \$230 million or 0.8 percent to \$27.87 billion.

### UNFILLED ORDERS

Unfilled orders for durable goods increased \$495 million or 0.7 percent to \$75.56 billion at the end of July led by a \$315 million increase in primary metals.

### INVENTORIES

Inventories of durable goods and nondurable goods manufacturers increased \$330 million and \$390 million respectively. At the all manufacturing level, materials and supplies increased \$170 million, work in process decreased \$20 million, and finished goods increased \$570 million.

### SCHEDULED RELEASE DATES

The figures on the durable goods industries in this report supersede those issued earlier in the advance report on durable goods. The advance report is based on a tabulation of early reports and is limited to statistics on shipments, new orders, and unfilled orders for a few broad industry categories. The present report is based on more complete reporting, but the estimates are also considered preliminary. Final figures will appear as historical data in the report to be published for next month. The advance report on durable goods for August is scheduled for release on September 22, 1972 and the full report is scheduled for release on October 3, 1972.

For an explanation of terms used in this report see appendix following table 5.

Inquiries concerning these figures should be addressed to the U.S. Department of Commerce, Social and Economic Statistics Administration, Bureau of the Census, Industry Division, Washington, D.C. 20233.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Shipments						Total inventories					
	Seasonally adjusted			Without seasonal adjustment <sup>1</sup>			Seasonally adjusted			Without seasonal adjustment <sup>1</sup>		
	July 1972 <sup>P</sup>	June 1972 <sup>r</sup>	May 1972	July 1972 <sup>P</sup>	June 1972 <sup>r</sup>	July 1971	July 1972 <sup>P</sup>	June 1972 <sup>r</sup>	May 1972	July 1972 <sup>P</sup>	June 1972 <sup>r</sup>	July 1971
All manufacturing industries:												
Total.....	62,004	61,231	61,413	56,465	65,193	51,503	104,224	103,505	102,822	103,782	103,669	100,914
Total, excluding transportation.....	53,591	53,744	53,475	50,467	56,902	46,060	88,227	87,586	87,100	88,056	88,056	85,958
Durable goods industries, total.	34,131	33,129	33,705	29,946	36,047	26,999	67,759	67,427	67,035	67,601	67,570	66,033
Stone, clay, and glass products.	1,917	1,971	2,017	1,902	2,154	1,662	2,299	2,282	2,260	2,320	2,330	2,326
Primary metals, total.....	5,018	4,960	4,930	4,626	5,491	4,646	9,716	9,696	9,600	9,564	9,567	8,695
Blast furnaces, steel mills.	2,373	2,306	2,358	2,271	2,641	2,684	5,381	5,370	5,284	5,252	5,236	4,436
Nonferrous metals.....	1,943	1,934	1,872	1,708	2,085	1,415	3,487	3,463	3,456	3,462	3,449	3,384
All other primary metals....	702	720	700	647	765	547	848	863	860	850	882	875
Fabricated metal products total.....	3,308	3,397	3,444	3,100	3,647	2,922	7,170	7,220	7,185	7,339	7,407	7,842
Metal cans, barrels, and drums.....	424	455	458	472	515	426	703	724	722	769	780	872
Machinery, except electrical, total.....	5,681	5,597	5,564	5,190	6,104	4,417	13,380	13,445	13,396	13,429	13,465	13,740
Engines and turbines.....	384	448	428	319	528	307	1,281	1,253	1,251	1,271	1,225	1,142
Farm machinery and equipment.	833	543	587	461	594	404	1,155	1,150	1,122	1,138	1,151	1,076
Construction, mining, and material handling equipment.	909	873	866	867	957	714	2,495	2,490	2,501	2,473	2,503	2,630
Metalworking machinery.....	487	448	421	432	470	314	1,145	1,152	1,141	1,145	1,149	1,170
General industrial machinery	470	463	457	443	509	354	1,149	1,144	1,144	1,154	1,157	1,186
Electrical machinery, total...	4,723	4,604	4,670	4,340	4,952	3,789	10,056	9,986	9,968	10,128	10,195	9,964
Electrical transmission and distribution equipment and industrial apparatus.....	896	900	896	833	971	732	2,186	2,184	2,189	2,194	2,196	2,138
Household appliances.....	631	613	661	643	690	537	1,058	1,047	1,048	1,065	1,078	1,157
Radio and TV.....	469	387	433	399	448	299	903	849	809	936	903	785
Communication equipment.....	1,184	1,174	1,171	1,093	1,270	1,051	2,910	2,914	2,934	2,898	2,955	2,860
Transportation equipment, total	8,413	7,487	7,938	5,998	8,291	5,443	15,997	15,919	15,722	15,726	15,613	14,956
Motor vehicles and parts....	5,541	4,793	5,074	3,375	5,530	3,302	4,213	4,140	4,128	3,922	3,891	3,979
Aircraft, missiles, and parts.....	2,022	1,902	1,942	1,840	1,902	1,451	9,037	9,087	8,972	9,042	9,076	8,794
Shipbuilding and railroad equipment.....	573	492	617	501	517	466	2,088	2,053	1,988	2,119	2,018	1,640
Instruments and related products, total.....	1,082	992	1,028	991	1,068	914	2,546	2,486	2,539	2,589	2,552	2,388
Scientific and engineering..	540	504	520	489	548	456	1,491	1,484	1,477	1,505	1,509	1,406
All other instruments and related products.....	542	488	508	502	520	458	1,055	1,002	1,062	1,084	1,043	982
All other durable goods industries.....	3,989	4,121	4,114	3,799	4,340	3,206	6,495	6,393	6,365	6,506	6,441	6,122
Nondurable goods industries, total.....	27,873	28,102	27,708	26,519	29,146	24,504	36,465	36,078	35,787	36,181	36,099	34,881
Food and kindred products, total.....	9,197	9,288	9,195	8,881	9,575	8,192	9,353	9,156	8,987	9,033	8,866	8,532
Meat products.....	2,068	2,111	2,181	2,068	2,162	1,991	852	844	807	825	841	798
Fats and oils.....	544	534	471	510	543	470	720	727	710	675	693	616
Tobacco products.....	504	505	511	518	547	498	2,193	2,206	2,231	2,031	2,116	1,932
Textile mill products.....	2,382	2,445	2,294	2,079	2,581	1,742	3,856	3,812	3,817	3,886	3,930	3,638
Paper and allied products, total.....	2,344	2,365	2,343	2,198	2,473	1,979	2,741	2,742	2,749	2,786	2,784	2,787
Pulp, paper, etc.....	949	942	938	892	975	813	1,021	1,040	1,044	1,031	1,051	1,075
Paperboard containers.....	680	714	728	646	746	595	823	826	826	844	835	823
All other paper containers..	715	709	677	660	752	571	897	876	879	911	898	889
Chemicals and allied products, total.....	4,723	4,782	4,635	4,411	5,014	4,095	6,753	6,690	6,663	6,766	6,690	6,736
Industrial chemicals, except pigments.....	1,409	1,459	1,417	1,332	1,541	1,347	1,924	1,892	1,894	1,909	1,862	1,887
Drugs, soap, and toiletries.	1,896	1,513	1,449	1,304	1,492	1,166	2,160	2,128	2,117	2,205	2,188	2,118
Petroleum and coal products...	2,391	2,281	2,248	2,367	2,363	2,142	2,224	2,213	2,208	2,215	2,188	2,245
Rubber and plastics products, n.e.c.....	1,429	1,442	1,456	1,321	1,548	1,290	2,284	2,252	2,274	2,245	2,241	2,111
All other nondurable goods industries.....	4,903	4,994	5,026	4,744	5,045	4,566	7,061	7,007	6,858	7,219	7,284	6,900

See footnotes at end of table.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP--Continued

(Millions of dollars)

Industry group	New orders <sup>2</sup>						Unfilled orders <sup>2</sup>					
	Seasonally adjusted			Without seasonal adjustment <sup>1</sup>			Seasonally adjusted			Without seasonal adjustment <sup>1</sup>		
	July 1972 <sup>p</sup>	June 1972 <sup>r</sup>	May 1972	July 1972 <sup>p</sup>	June 1972 <sup>r</sup>	July 1971	July 1972 <sup>p</sup>	June 1972 <sup>r</sup>	May 1972	July 1972 <sup>p</sup>	June 1972 <sup>r</sup>	July 1971
All manufacturing industries:												
Total.....	62,481	63,734	62,012	57,881	66,733	52,068	79,087	78,608	76,103	79,029	77,619	71,775
Total, excluding transportation.....	54,066	54,953	54,145	51,129	57,548	45,927	55,249	54,775	53,563	55,104	54,451	50,558
Durable goods industries, total.	34,620	35,613	34,302	31,392	37,592	27,555	75,558	75,064	72,579	75,470	74,028	68,728
Primary metals, total.....	5,335	5,442	5,339	4,712	5,496	3,953	7,558	7,242	6,759	7,138	7,052	5,099
Blast furnaces, steel mills.	2,713	2,765	2,659	2,338	2,711	1,942	4,706	4,366	3,907	4,311	4,244	2,427
Nonferrous metals.....	1,901	1,950	1,961	1,717	2,020	1,470	1,937	1,979	1,963	1,917	1,908	1,816
Fabricated metal products.....	3,456	3,505	3,373	3,180	3,733	2,867	9,813	9,664	9,557	9,760	9,682	9,885
Machinery, except electrical, total.....	5,795	5,923	5,668	5,300	6,344	4,343	13,702	13,586	13,258	13,671	13,564	12,208
Engines and turbines.....	348	655	428	295	698	283	3,745	3,779	3,572	3,724	3,749	3,294
Construction, mining, and material handling equipment.	931	905	902	864	982	713	2,537	2,514	2,482	2,557	2,560	2,286
Metalworking machinery.....	502	479	432	461	491	329	1,065	1,050	1,019	1,066	1,037	990
General industrial machinery.	470	449	433	429	480	340	1,257	1,257	1,271	1,244	1,258	1,138
Electrical machinery, total...	4,669	4,775	4,841	4,728	5,114	4,371	14,287	14,340	14,171	14,492	14,101	14,099
Electrical transmission and distribution equipment and industrial apparatus.....	1,023	926	872	954	1,011	803	4,022	3,895	3,869	4,051	3,929	3,867
Household appliances.....	624	629	651	650	691	553	129	135	120	133	126	144
Radio and TV.....	421	433	456	366	544	306	574	622	576	629	662	462
Communication equipment.....	1,054	1,197	1,257	1,334	1,218	1,445	5,855	5,985	5,963	5,904	5,661	5,865
Transportation equipment, total.....	8,415	8,781	7,867	6,752	9,186	6,141	23,838	23,833	22,540	23,925	23,168	21,217
Aircraft, missiles, and parts.....	1,908	3,300	2,079	2,371	2,984	2,242	15,973	16,086	14,689	16,115	15,583	14,149
Shipbuilding and railroad equipment.....	597	415	462	597	406	309	5,294	5,269	5,346	5,309	5,213	5,007
All other durable goods industries.....	6,950	7,187	7,214	6,720	7,719	5,880	6,360	6,399	6,294	6,484	6,461	6,220
Nondurable goods industries, total.....	27,861	28,121	27,710	26,489	29,141	24,513	3,529	3,544	3,524	3,559	3,591	3,047
Industries with unfilled orders.....	7,586	7,668	7,489	6,952	7,918	6,143	3,529	3,544	3,524	3,559	3,591	3,047
Industries without unfilled orders.....	20,275	20,453	20,221	19,537	21,223	18,370	-	-	-	-	-	-

- Represents zero.   <sup>p</sup>Preliminary.   <sup>r</sup>Revised.<sup>1</sup>Adjusted for trading-day and calendar-month variations.<sup>2</sup>Shipments, new orders, and unfilled orders data have been revised from 1966 to 1972 effective with the July publication for fabricated metal products, transportation equipment, durable goods total, and all manufacturing totals. An errata sheet will be published during the middle of September. However, anyone wishing the historic data prior to issuance of the errata sheet can call area code, 301-763-7108 or 763-7557.

Table 2.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, FOR MARKET CATEGORIES AND SUPPLEMENTARY SERIES

(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment <sup>1</sup>			Seasonally adjusted			Without seasonal adjustment		
	July 1972 <sup>P</sup>	June 1972 <sup>r</sup>	May 1972	July 1972 <sup>P</sup>	June 1972 <sup>r</sup>	July 1971	July 1972 <sup>P</sup>	June 1972 <sup>r</sup>	May 1972	July 1972 <sup>P</sup>	June 1972 <sup>r</sup>	July 1971
	Shipments						Total inventories					
All manufacturing industries, total..	62,004	61,231	61,413	56,465	65,193	51,503	104,224	103,505	102,822	103,782	103,669	100,914
Durable goods industries, total.....	34,131	33,129	33,705	29,946	36,047	26,999	67,759	67,427	67,035	67,601	67,570	66,033
Nondurable goods industries, total.....	27,873	28,102	27,708	26,519	29,146	24,504	36,465	36,078	35,787	36,181	36,099	34,881
Industry groups arranged by market categories:												
Home goods and apparel.....	6,174	6,235	6,242	5,819	6,490	5,249	11,464	11,288	11,113	11,692	11,763	10,840
Consumer staples.....	11,782	11,994	11,918	11,330	12,281	10,490	14,178	13,931	13,780	13,796	13,648	13,179
Equipment and defense products, except automotive.....	9,100	8,890	9,017	8,344	9,523	7,120	26,848	26,744	26,597	26,836	26,813	26,325
Automotive equipment.....	6,243	5,526	5,835	4,055	6,351	3,904	5,636	5,533	5,499	5,310	5,260	5,202
Construction materials, supplies, and intermediate products.....	5,393	5,447	5,496	5,354	5,970	4,766	8,208	8,181	8,164	8,258	8,282	8,305
Other materials and supplies and intermediate products.....	23,312	23,139	22,905	21,563	24,578	19,974	37,890	37,828	37,669	37,890	37,903	37,063
Supplementary series: <sup>2</sup>												
Household durable goods industries.....	2,897	2,841	2,913	2,595	3,007	2,111	5,290	5,220	5,171	5,376	5,370	5,061
Capital goods industries.....	10,680	10,389	10,448	9,787	11,072	8,350	30,174	30,116	29,939	30,193	30,205	29,731
Nondefense.....	8,878	8,750	8,694	8,086	9,313	6,643	24,469	24,476	24,326	24,404	24,524	24,727
Defense*.....	1,802	1,639	1,754	1,701	1,759	1,707	5,705	5,640	5,613	5,789	5,681	5,004
	New orders						Unfilled orders					
All manufacturing industries, total..	62,481	63,734	62,012	57,881	66,733	52,068	79,087	78,608	76,103	79,029	77,619	71,775
Durable goods industries, total.....	34,620	35,613	34,302	31,392	37,592	27,555	75,558	75,064	72,579	75,470	74,028	68,728
Nondurable goods industries, total.....	27,861	28,121	27,710	26,489	29,141	24,513	3,529	3,544	3,524	3,559	3,591	3,047
Industry groups arranged by market categories:												
Home goods and apparel.....	6,088	6,318	6,359	5,773	6,602	5,415	2,519	2,607	2,539	2,658	2,612	2,248
Consumer staples.....	11,780	11,978	11,919	11,324	12,267	10,493						
Equipment and defense products, except automotive.....	8,890	10,501	8,895	9,184	10,773	8,000	40,671	40,785	39,199	40,896	39,928	37,802
Automotive equipment.....	6,335	5,499	5,782	4,182	6,275	3,968						
Construction materials, supplies, and intermediate products.....	5,462	5,544	5,470	5,352	6,063	4,803	9,544	9,474	9,379	9,553	9,558	9,722
Other materials and supplies and intermediate products.....	23,926	23,894	23,587	21,966	24,753	19,389	26,353	25,742	24,986	25,922	25,521	22,003
Supplementary series: <sup>2</sup>												
Household durable goods industries.....	2,802	2,925	3,013	2,646	3,127	2,289	2,068	2,162	2,077	2,202	2,152	1,885
Capital goods industries.....	10,711	12,172	10,569	10,833	12,418	9,329	46,673	46,637	44,853	46,862	45,816	42,930
Nondefense.....	9,225	9,228	9,036	8,466	9,667	6,571	26,673	26,322	25,842	26,653	26,273	25,444
Defense*.....	1,486	2,944	1,533	2,367	2,751	2,758	20,000	20,315	19,011	20,209	19,543	17,486

\*During 1968 manufacturers in ordnance, communications, aircraft and aircraft parts, and shipbuilding industries began to provide aggregate figures on shipments, orders, and total inventories of work performed for the Department of Defense. The results of these reports are included in the defense series. <sup>P</sup>Preliminary. <sup>R</sup>Revised. <sup>1</sup>Shipments and new orders adjusted for trading-day and calendar-month variations; unfilled orders and inventories as of end of month. <sup>2</sup>The supplementary series are regroupings of the separate industry categories as follows:

Household durable goods industries - Household furniture; kitchen articles and pottery; cutlery, handtools, and hardware; household appliances; ophthalmic goods, watches, and clocks; and miscellaneous personal goods.  
 Capital goods industries - The capital goods industries series is comparable to the previous Producers' Capital Goods and the Defense Products (old series) categories.  
 Nondefense products - Machinery, except electrical (excluding farm machinery and equipment and machine shops), electrical machinery (excluding household appliances and electronic components), and the nondefense portions of shipbuilding and repairing and railroad equipment, communication equipment, aircraft and aircraft parts, and ordnance.  
 Defense products - Based on separate reports on defense work filed by large defense contractors in the following industries: ordnance, communications, aircraft and aircraft parts, and shipbuilding. The data are comparable to those published annually in the MA-175, Shipments of Defense-Oriented Industries, for the specified industries.

Table 3.--MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS MONTH-TO-MONTH AND LONG TERM PERCENT CHANGES

(Based on seasonally adjusted data)

Item and industry group	Month-to-month			Average monthly rates of change				Average, 1966-1971	
	June- July 1972	May- June 1972	Apr.- May 1972	3 months			12 months July 1971- July 1972	Average rise	Average decline
				Apr. 1972- July 1972	Jan. 1972- Apr. 1972	Oct. 1971- Jan. 1972			
Shipments:									
All manufacturing industries.....	+1.3	-0.3	+0.3	+0.4	+1.1	+1.9	+0.9	+1.3	-1.2
Durable goods industries, total.....	+3.0	-1.7	+0.4	+0.6	+1.6	+2.1	+1.2	+2.1	-1.8
Nondurable goods industries, total.....	-0.8	+1.4	+0.3	+0.3	+0.5	+1.7	+0.7	+0.8	-0.5
Total inventories:									
All manufacturing industries.....	+0.7	+0.7	+0.4	+0.6	+0.2	0.0	+0.3	+0.5	-0.2
New orders:									
All manufacturing industries.....	-2.0	+2.8	+0.5	+0.4	+1.0	+2.1	+1.1	+1.9	-1.2
Durable goods industries, total.....	-2.8	+3.8	+0.9	+0.6	+1.5	+2.4	+1.4	+2.9	-2.6
Nondurable goods industries, total.....	-0.9	+1.5	+0.1	+0.2	+0.4	+1.7	+0.7	+0.9	-0.5
Unfilled orders:									
Durable goods industries, total.....	+0.7	+3.4	+0.8	+1.6	+0.7	+0.5	+0.8	+0.8	-1.1

Table 4.--VALUE OF MANUFACTURERS' INVENTORIES, BY STAGE OF FABRICATION, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment			Seasonally adjusted			Without seasonal adjustment		
	July 1972 <sup>P</sup>	June 1972 <sup>F</sup>	May 1972	July 1972 <sup>P</sup>	June 1972 <sup>F</sup>	July 1971	July 1972 <sup>P</sup>	June 1972 <sup>F</sup>	May 1972	July 1972 <sup>P</sup>	June 1972 <sup>F</sup>	July 1971
	Total						Materials and supplies					
All manufacturing industries, total..	104,224	103,505	102,822	103,782	103,669	100,914	31,120	30,948	30,933	30,944	30,678	31,359
Durable goods industries, total.....	67,759	67,427	67,035	67,601	67,570	66,033	18,192	17,958	18,152	18,214	17,884	19,018
Stone, clay, and glass products.....	2,299	2,282	2,260	2,320	2,330	2,326	753	763	761	756	764	753
Primary metals.....	9,716	9,696	9,600	9,564	9,567	8,695	3,476	3,526	3,516	3,439	3,438	3,303
Machinery (electrical and nonelectrical).	23,536	23,431	23,364	23,557	23,660	23,704	5,793	5,744	5,808	5,808	5,785	6,091
Transportation equipment.....	15,997	15,919	15,722	15,726	15,613	14,956	2,842	2,699	2,781	2,639	2,598	3,011
All other durable goods industries.....	16,211	16,099	16,089	16,434	16,400	16,352	5,328	5,226	5,286	5,472	5,299	5,860
Nondurable goods industries, total.....	36,465	36,078	35,787	36,181	36,099	34,881	12,928	12,990	12,781	12,730	12,794	12,341
Chemicals and allied products.....	6,753	6,690	6,663	6,766	6,690	6,736	2,190	2,184	2,141	2,199	2,177	2,244
Petroleum and coal products.....	2,224	2,213	2,208	2,215	2,188	2,245	503	521	505	504	523	522
Rubber and plastics products, n.e.c.....	2,284	2,252	2,274	2,245	2,241	2,111	667	647	670	679	649	658
All other nondurable goods industries....	25,204	24,923	24,642	24,955	24,980	23,789	9,568	9,638	9,465	9,348	9,445	8,917
	Work in process						Finished goods					
All manufacturing industries, total..	36,755	36,775	36,293	36,752	36,635	34,914	36,349	35,782	35,596	36,086	36,356	34,641
Durable goods industries, total.....	31,470	31,546	31,103	31,412	31,336	29,785	18,097	17,923	17,780	17,975	18,350	17,230
Stone, clay, and glass products.....	321	315	310	321	320	323	1,225	1,204	1,189	1,243	1,246	1,240
Primary metals.....	3,208	3,203	3,156	3,158	3,151	2,852	3,032	2,967	2,928	2,967	2,978	2,540
Machinery (electrical and nonelectrical).	10,635	10,666	10,537	10,573	10,626	10,624	7,108	7,021	7,019	7,076	7,249	6,989
Transportation equipment.....	11,716	11,758	11,476	11,703	11,566	10,522	1,439	1,462	1,465	1,384	1,449	1,423
All other durable goods industries.....	5,590	5,604	5,624	5,657	5,673	5,454	5,293	5,269	5,179	5,305	5,428	5,038
Nondurable goods industries, total.....	5,285	5,229	5,190	5,340	5,299	5,129	18,252	17,859	17,816	18,111	18,006	17,411
Chemicals and allied products.....	847	861	857	847	861	863	3,716	3,645	3,665	3,720	3,652	3,629
Petroleum and coal products.....	493	487	484	498	498	482	1,228	1,205	1,219	1,213	1,167	1,241
Rubber and plastics products, n.e.c.....	364	364	364	363	351	335	1,253	1,251	1,240	1,203	1,241	1,118
All other nondurable goods industries....	3,581	3,527	3,485	3,632	3,589	3,449	12,055	11,758	11,692	11,975	11,946	11,423

<sup>P</sup>Preliminary.<sup>F</sup>Revised.

Table 5.--RATIO OF MANUFACTURERS' INVENTORIES TO SHIPMENTS AND UNFILLED ORDERS TO SHIPMENTS, BY INDUSTRY GROUP  
(Based on seasonally adjusted data)

Industry group	Inventories - shipments ratio				Unfilled orders - shipments ratio <sup>1</sup> (months' backlog)			
	July 1972 <sup>p</sup>	June 1972 <sup>r</sup>	May 1972	July 1971	July 1972 <sup>p</sup>	June 1972 <sup>r</sup>	May 1972	July 1971
All manufacturing industries, total.....	1.68	1.69	1.67	1.83	2.13	2.14	2.06	2.17
Durable goods industries, total.....	1.99	2.04	1.99	2.22	2.57	2.58	2.47	2.62
Stone, clay, and glass products.....	1.20	1.16	1.12	1.38	(NA)	(NA)	(NA)	(NA)
Primary metals.....	1.94	1.95	1.95	1.76	1.51	1.46	1.37	1.06
Fabricated metals.....	2.17	2.13	2.09	2.45	3.40	3.28	3.20	3.63
Machinery, except electrical.....	2.37	2.40	2.41	2.85	2.41	2.43	2.38	2.52
Electrical machinery.....	2.13	2.17	2.13	2.41	3.02	3.11	3.03	3.38
Transportation equipment.....	1.90	2.13	1.98	2.29	5.45	5.76	5.21	5.77
Instruments and related products.....	2.35	2.51	2.47	2.35	(NA)	(NA)	(NA)	(NA)
Nondurable goods industries, total.....	1.31	1.28	1.29	1.37	0.46	0.46	0.47	0.45
Food and kindred products.....	1.02	0.99	0.98	1.04	(X)	(X)	(X)	(X)
Tobacco products.....	4.35	4.37	4.37	4.31	(X)	(X)	(X)	(X)
Textile mill products.....	1.62	1.56	1.66	1.81	(NA)	(NA)	(NA)	(NA)
Paper and allied products.....	1.17	1.16	1.17	1.30	(NA)	(NA)	(NA)	(NA)
Chemicals and allied products.....	1.43	1.40	1.44	1.55	(X)	(X)	(X)	(X)
Petroleum and coal products.....	0.93	0.97	0.98	1.04	(X)	(X)	(X)	(X)
Rubber and plastics products, n.e.c.....	1.60	1.56	1.56	1.54	(X)	(X)	(X)	(X)

(NA) Not available.      <sup>p</sup>Preliminary.      <sup>r</sup>Revised.      (X) Not applicable.

<sup>1</sup>Excludes the following industries with no unfilled order: Wooden containers; glass containers; metal cans, barrels and drums; motor vehicle assembly operations; foods and related products; tobacco; apparel and related products; chemicals; petroleum and coal products; and rubber and plastics products, n.e.c.

# Appendix

The following is a description of the survey and definitions used. These are provided to clarify the meaning of the items involved and do not represent any revisions from those definitions previously employed.

## DESCRIPTION OF THE SURVEY

The Manufacturers' Shipments, Inventories, and Orders survey provides monthly figures that are comparable to the annual totals published each year in the annual survey of manufactures (ASM). The ASM is based on a sample of approximately 60,000 manufacturing establishments drawn from the 5-year census universe of about 310,000 establishments. In the ASM, each manufacturing establishment provides data on employment, payrolls, shipments, cost of materials, capital expenditures, and inventories as well as other selected items. The establishments do not provide information on unfilled orders or new orders. Since the ASM is establishment based, it provides data for each of the 425 manufacturing industries in the Standard Industrial Classification System (SIC) and area data for industry groups.

The monthly survey M3-1 does not provide information at the complete SIC industry detail because of the smaller size of the reporting panel and the fact that most companies cannot provide shipments, inventories, and orders data monthly for individual establishments.

The monthly reporting panel consists of approximately 5,000 reporting units and includes virtually all companies with 1,000 or more employees and a sample of the smaller ones. The reporting unit typically comprises the entire operations of a company although many of the larger diversified companies file separate divisional type reports for their operations in different industries.

Most of the reporting units include mixed industry activity even within the broad industry categories of the monthly survey. The survey methodology assumes that the month-to-month changes of the reporting units classified in each industry category represent effectively the month-to-month movements of the establishments in the SIC industries which make up the category. Thus, the monthly reports are used to update the ASM estimates by using a link relative of matched companies in each industry.

## EXPLANATION OF TERMS

**Value of Shipments--**Shipments in the monthly survey are equivalent to value of shipments as reported in the ASM which are received or receivable net selling values, f.o.b. plant, after discounts and allowances and excluding freight charges and excise taxes. Included in shipments are the value of all products sold, transferred to other plants of the same company, or shipped on consignment.

Shipments also include receipts of establishments in the industry for contract work performed for others, resales, receipts for miscellaneous activities such as the sale of scrap and refuse; value of installation and repair work performed by employees of the plant; and value of research and development performed at the plant. In the aircraft industry and shipbuilding, the value of work done in a given year varies considerably from the value of shipments because of the long lead time between the input of the materials and labor and the shipments of the completed aircraft or ship. In the annual survey, therefore, the value of work done during the year is requested rather than the value of shipments.

The value of shipments figures developed from the ASM contain duplication at the all manufacturing and industry group levels since the products of some industries are used as materials by other industries within the industry group. With the exception of motor vehicles, it is not significant at the 4-digit SIC group level. Since the M3-1 industry categories typically are groupings of industries, this duplication is significant for the all manufacturing, durable goods and nondurable goods categories and the various market groups. The significance of the duplication within the specific M3-1 industry groups varies depending on the 4-digit industry composition of these groups. It is most pronounced in a few highly integrated industry areas such as primary metals and motor vehicles and parts.

Since most monthly reports are for the entire company or major divisions rather than establishments, the companies are requested to report net sales, i.e., total company billings after discounts and allowances. Companies which file divisional reports are requested to treat transfers from one division of the company to another as if they were net sales to outside customers. Although this



definition of shipments in the monthly reports differs from that used in the annual establishment reports, it is assumed that the month-to-month changes in company sales in the industry are representative of the month-to-month shipments of the establishments in the industry.

**Inventories--**End-of-month inventories in the monthly survey are identical in definition to the end-of-year inventories in the ASM. In the ASM, respondents are asked to report inventories of individual establishments at approximate current cost if feasible; otherwise, "at book values." Since different methods of inventory valuation are used (LIFO, FIFO, etc.), the definition of the aggregate inventories for establishments in an industry is not precise. The figures on the change in inventories from one period to the next are of greater significance than the actual aggregates.

Inventories are reported by stage of fabrication: (a) finished goods; (b) work in process; and (c) materials, supplies, fuel, and other inventories. In using inventories by stage of fabrication at the all manufacturing and 2-digit industry levels as well as for the durable and non-durable goods sectors, it should be noted that a finished product of one industry may be a raw material for another industry at the next stage of fabrication. Insofar as the durable and nondurable goods sectors and also the 2-digit industry groups contain industries with successive stages of processing, the same type of commodity may be included under different inventory categories in the aggregate statistics.

**New Orders Received and Unfilled Orders--**Orders as reported in the monthly survey are net of cancellations during the month. They include orders received during the period and also filled during the period as well as those orders received for future delivery. They also include the net sales value of contract change documents which increase or decrease the sales value of the unfilled orders to which they relate. Orders include only those supported by binding legal documents such as signed contracts, or letter contracts. In case of letter contracts the full amount of the sales value is included if the parties are in substantial agreement on the amount; otherwise, only the funds specifically authorized to be expended are included. The respondent is instructed to deduct the sales value of partial or complete cancellation of existing orders.

Unfilled orders include orders as defined above that have not yet passed through the sales account. Generally, unfilled orders at the end of the reporting period are equal to unfilled orders at the beginning of the period plus net new orders received less net sales.

While both new orders and unfilled orders are used in reviewing individual company reports for consistency, only unfilled orders are estimated directly in the tabulated totals. New orders are derived from the shipments plus net change in unfilled orders for each industry category. This procedure is followed for seasonally adjusted data as well as for the unadjusted data. Shipments and unfilled orders are seasonally adjusted independently. Seasonally adjusted new orders are derived from seasonally adjusted shipments and seasonally adjusted unfilled orders.